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## A REMEDY FOR RAILWAY ABUSES.

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THE railway problem involves two questions: one economical, the other political.

The economical question is: How can discrimination in, and fluctuation of, freight rates be avoided? The political question is: How can these things be avoided without endangering the liberties of the people? The problem is solved when it is shown how discrimination and fluctuation may be destroyed without at the same time annihilating the spirit of the Constitution. Many solutions have been proposed, and it is the object of this article to examine these systematically. In order, however, to make the subject perfectly intelligible to the readers who are not familiar with railway terms, the examination must be prefaced by an explanation of the term "discrimination."

It is generally supposed that common carriers must treat all persons alike. But railways do not treat all persons alike. They give more advantageous terms to certain communities than to others; and to certain individuals, than to others.

These more advantageous terms are called "discriminations in favor" of such communities or individuals. They necessarily act to the detriment of the remaining communities and individuals.

Discriminations may be classified under three heads:

*First.* Discrimination in favor of one or more centers of commerce, to the detriment of another or other centers of commerce.

*Second.* Discrimination in favor of places where there is a competition between two or more railways, to the detriment of places where one of these competing lines has a monopoly.

*Third.* Discrimination in favor of one or more individuals of a certain locality, to the detriment of other individuals of that locality.

The following is an illustration of the first class: The great Eastern centers of commerce, Boston, New York, Philadelphia, and Baltimore, are connected with the great emporium of the West, Chicago, by four great trunk lines. In 1877, these trunk lines entered into a combination for the purpose of dividing the traffic between the above-named sea-board cities and Chicago in a fixed proportion, instead of continuing to compete for the whole of it. According to the terms of this combination, the people of New York City were compelled to pay from two to six cents per one hundred pounds in excess of the rates charged to the people of Philadelphia and Baltimore, while the people of Boston were to pay no more than those of New York. This arrangement was a discrimination in favor of the people of Boston and to the detriment of those of New York, since the distance from Chicago to Boston exceeds the distance from Chicago to New York by at least fifty miles. It was also, in all probability, a discrimination against New York in favor of Philadelphia and Baltimore; for, although the distance between New York and Chicago is somewhat greater, the gradient is so decidedly in favor of New York that, practically, neither Philadelphia nor Baltimore are as near to Chicago as is New York.

The following illustrates the second class: The distance from Milwaukee to New York *via* the New York Central railway is about one thousand and fifty miles. The distance from Rochester to New York *via* the same line is three hundred and seventy-one miles. A Rochester miller ought, therefore, to pay about one-third as much as a Milwaukee miller for transporting his flour to the New York market. The late railway investigation of this State revealed that the former was compelled to pay fifty per cent. more than the latter. The reason for this discrimination in favor of Milwaukee, to the detriment of Rochester, lies in the fact that Milwaukee is a point at which various lines terminating in New York City compete, while Rochester is a point tributary to the monopoly of the New York Central railway.

The third class is illustrated by the following example: A is a small dealer in an interior town of the State; he must pay forty, thirty, twenty-five, or twenty cents per one hundred pounds, according to the kind of goods carried for him. B is a large dealer at the same place; he pays only thirteen cents per one hundred pounds for all kinds of goods.

The evil effects of discrimination and fluctuation become apparent on the slightest reflection.

The first class of discrimination alters the natural course of commerce and tends to paralyze business by shaking its very foundations. The statistical abstract of 1880, p. 37, shows the immense gain of Philadelphia and Baltimore and Boston, in the matter of exports, over New York since 1874. In 1874 the value of exports from the first-named three cities amounted altogether to \$88,947,643; in 1880 it amounted to \$183,856,652. In 1874 the value of exports from New York amounted to \$340,360,269; in 1880 it amounted to \$388,441,664. From these figures it becomes evident that while the exports from the three ports have increased over one hundred and six per cent. in six years, the exports from New York have only increased fourteen per cent. The chief evil in this class of discriminations lies not as much in the hardship it imposes upon the losing city (great as this evil undoubtedly is), as in the fact that centers so populous, and of such vast economical and political importance, should be virtually at the mercy of a handful of men, who can to-day unsettle what was settled yesterday, and to-morrow again unsettle what was settled to-day. It increases enormously fluctuations in value, and thus promotes wild speculation, and depresses proportionately the sound producing and commercial potentialities of the whole country.

The second class of discriminations resembles the first in so far that it builds up one district of the country at the expense of others. Its effects are, however, far more striking, as it operates upon smaller centers, where capital is not so abundant, and is largely invested in factories. As soon as the New York Central carried flour from Milwaukee to New York at a lower rate than it carried it from Rochester to New York, it ruined the Rochester millers. Now, in one important aspect at least, this ruin of the millers of our State acts to the manifest detriment of the whole country. If the export trade is deflected from the city of New York to Philadelphia or Baltimore, there is no apparent loss to the country, as Philadelphia and Baltimore gain what New York loses. The capital invested in that trade is chiefly circulating, and can travel to Philadelphia or Baltimore. In the milling industry, however, capital is chiefly fixed; it is invested in buildings and machinery, and must remain there permanently. Now, the ruin of these mills means simply the destruction of as much capital as is invested in them, not only to the injury of the

millers but to that of the whole country. The economic evil following in the train of discrimination in favor of what, in railway parlance, is called "through" traffic, and against "local" traffic, is in this respect more serious than the one in favor of one sea-port over another; it not only changes the distribution of wealth according to the interests of railway corporations, it actually diminishes it.

Still more pernicious to the prosperity of the country is the working of the third class of discriminations. It aims at nothing less than the complete destruction of the middle classes. The railways carry for the rich shippers at special rates, far below their public tariff. By this means they uproot every vestige of fair competition, and thus drive the less wealthy from the field. These rates are, moreover, confidential and secret, and the transactions have very much the character of conspiracies. The arrangement between various railways and the Standard Oil Company furnishes a remarkable instance of this class. These railways (New York Central, Erie, Lake Shore, and Pennsylvania) found it to their advantage to divide the transportation of oil between themselves, instead of competing for it. They thought that their plan could much better be carried out if they had only one shipper to deal with, and so they determined to reduce the large number of oil shippers to one. For this purpose they made an agreement with a corporation known as the "South Improvement Company," the members of which afterward formed the Standard Oil Company. By this agreement the South Improvement Company was protected against loss and injury by competition, and the railways bound themselves to raise the rates of freight against all the competitors of the South Improvement Company sufficiently to overcome all competition with that company. The result was, of course, that the parties forming the Standard Oil Company acquired immense riches, at the cost of all other persons who had engaged in the oil trade.

Another instance of this class was the "Cattle Eveners' Pool." In order to avoid competition among themselves, the four great trunk lines leading to New York agreed upon dividing profits. For this purpose they made a contract with three persons, by which these persons received fifteen dollars for every car-load of cattle shipped from Chicago to New York, in consideration that they would hold themselves responsible for the proper division of the

traffic. The "Eveners," with such a margin in their favor, soon obtained a monopoly of the cattle business, and found no difficulty in suppressing any attempt at competition.

These two instances show how monopolies are created on a large scale at points where railways compete, by the combination of these railways. At non-competitive points, each railway is of itself sufficiently powerful to create them, and is continually creating them on a smaller scale. The smaller ones are, however, even more dangerous than the great ones. The great monopolies at least attract the public eye, and often arouse general indignation. But the small monopoly of the dry goods house, or grocer, in a country town, does not arouse public indignation, though it be no less a result of the ruin of many competitors.

To the evils of discrimination we may add those of fluctuations of rates. The insecurity of rates; their sudden changes in times of railway wars; their liability to daily changes in times of peace; the knowledge that they do not fluctuate equally with all, and that the secret fluctuations may be even more extreme than the public; all these things intensify so considerably the evils of discrimination, that at times they become well-nigh unbearable.

Under these circumstances, is it a wonder that the vague, despairing cry of anti-monopoly is heard everywhere on the face of the land? Would it be surprising if the dark streams of communism which flow in the nether soil were to be fed and swelled to formidable proportions? Let our conservative men see to it that the ills brought on by the present management of the great arteries of the country be cured—that the railway problem be correctly solved.

The solutions which have been proposed, and which seem to exhaust all possible solutions, are six in number:

- (1) Free competition; (2) Competition under State control;
- (3) Competition under United States control; (4) Combination;
- (5) Monopoly; (6) National railways.

Our first question is: Can the railway problem be solved by the means of a continued application of the principles of free competition? My answer is, that if the principle of competition could ever obtain as full an application in the matter of railway transportation as it has obtained in the operations of commerce, it would undoubtedly in the end work out a cure of the grave ills to which this method of transportation has given rise. But

can this principle ever receive so full an application in railway transportation? It can only do so if the three following conditions are satisfied. *First.* There must be at least two independent railway lines, running parallel to each other, between all places connected by rail. *Second.* These independent lines must be prevented from amalgamating and from making open or secret combinations. *Third.* Laws must be enacted fixing the *minimum* of the tariff, and these laws must be capable of preventing all secret arrangements with shippers, so that they cannot be evaded by rebates and drawbacks and other devices.

Unless the first condition is satisfied, there never can be any true competition whatever. The maintenance of two parallel lines between all stations of the country would, however, occasion such an enormous sacrifice of capital that it must be absolutely condemned, even if it would ultimately prove both a cure and a preventive of the wrongs which the railways have produced. Unless the second condition is satisfied, this enormous sacrifice will not only not attain its object, but will, on the contrary, considerably aggravate our present evils. These parallel lines would, in every instance, amalgamate or combine, and new parallel lines would have to be built *ad infinitum*, in order to keep competition active. Unless the third condition is satisfied, no laws of whatever nature or potency could prevent that in every instance one of the competing lines would cut its rates, until the others would be driven into bankruptcy. It is also necessary for the protection of solvent lines against the competition of the insolvent ones; otherwise these insolvent lines, freed from the obligation of paying dividends and interests on their bonds, would be able in every instance, to ruin the solvent ones—and so finally competition would prove to be the synonym of confiscation.

And now, as not a single one of these conditions can ever be satisfied, and as it is evident that unless all three of them are, there never can be any competition in the true sense of the word among railway companies, it follows that the word competition, used in connection with railways, is a misnomer. And this false use of a popular word has become dangerous and ought to be abandoned.

Let us see, next, whether competition in the sense used, when applied to railway transportation, and which now regulates it, can ever cure the wrongs from which we are suffering.

But the nature of this pseudo competition must be first examined.

True competition presupposes an open market into which all sellers and buyers freely come. Each seller is free to seek the custom of every buyer, and each buyer is free to seek the wares of every seller. And this freedom is of the very essence of competition. Let us suppose it to be absent. Let us suppose that in a certain district there live four merchants, and that all the buyers of the district are compelled to buy their goods of these merchants. Let us suppose further that the buyers are divided into five classes, and that four of these classes are parceled out among the four merchants in such a manner that the first class can only buy of merchant A, the second class of merchant B, the third class of merchant C, and the fourth class of merchant D; the fifth class, however, remains free to buy wherever it pleases. Would not any one, who might characterize such a dismal state of affairs as free competition, lay himself open to the charge of being either a knave or a fool?

Now, what course will business take in such a district? The four sellers, each secure in the possession of the custom of one class of buyers, will compete *à l'outrance* for the custom of the fifth class. This competition will be carried on without the slightest regard to the cost price of the wares—the great regulating factor of competition under ordinary circumstances. But each merchant will sell at any price obtainable, expecting to make up all his losses by increasing his charges on the class parceled out to him. The only restriction which will save this class from absolute confiscation is the conviction of the merchants that it would not be profitable to drain it completely. The maxim by which this class would be treated would be expressed in the aphorism, “Tax it as much as it will bear.” In other words, these merchants would discriminate against the class over which they exercise the power of monopoly in favor of the class for which they compete. They would rob Peter so as to be able to sell cheaply to Paul. Such a system of competition would not only belie the name, but the manifest evils which it would originate would soon make it intolerable. And yet this is a fair picture of what is called railway competition, and which most people suppose is a perfectly proper system, or at all events the best one on which the great business of transportation can be conducted.



The four merchants are the four great trunk lines. The district embraces a large number of States and millions of people. The first four classes are the communities tributary to a single one of these lines, and the fifth class embraces a few great cities to which all the four great lines extend, and for whose traffic they compete. At the four competing points, competition is carried on in defiance of all laws of economy. At the numerous monopolized stations, the loss necessarily entailed by this competition is made up, regardless of all dictates of right. And this so-called system of competition is thus in reality a hybrid system combining the worst forms of competition with the worst forms of monopoly.

Now let us ask whether the pseudo-competition just described, if permitted to develop, can be relied upon eventually to solve the railway problem.

We have seen that the fundamental evils of our system of railway management consist in two things, namely, discrimination and fluctuation. The question, therefore, resolves itself into this: Will the principle of pseudo-competition or competition-monopoly ever be able to cure these evils? The answer will be easy when we remember that this system is the very root and cause of discrimination and fluctuation. The competition, for instance, of the four trunk lines running between the four great sea-ports and Chicago, at those ports and that city, brings about periodical railway wars; these wars cause the wildest fluctuations of rates. That these fluctuations are, however, attributable only to the monopoly enjoyed by the competitive lines at other points, becomes evident when we take into consideration that if it were not for this monopoly the four trunk lines could not carry for these communities below the cost price of transportation, and that in consequence the competition-monopoly principle is responsible for fluctuations in rates.

All railway wars are continued until the stronger can force the weaker into a truce profitable to the former. These truces or combinations are to put a temporary stop to competition, and are based on the principle of dividing the traffic instead of fighting for it. They can, however, not be brought about unless the more favorably situated roads allow themselves to be handicapped. Thus, for example, as the roads forming the most direct communications between Chicago and New York would take too large a proportion of the traffic, on account of the advan-

tages of New York, the rates from Chicago to New York must be raised above those to Baltimore and Philadelphia, or no truce will be possible.

It appears, therefore, that under the competition-monopoly principle of conducting railways, the competition at the competitive point invariably brings on railway wars, and that these wars can only be temporarily stopped by means of combinations, discriminating against the most favorably located city. Thus the cause of the first class of discriminations is this very principle. It would be absurd, indeed, to expect its cure from this quarter.

The competition at the competing points, carried on as it is regardless of the question of cost of transportation, is only maintainable by the absolute power of the railways in the monopolized districts. Our present competition-monopoly system is, therefore, likewise the direct cause of the second class of discrimination, namely, that in favor of through, and against local, traffic. Being its cause, it can never become its cure.

The competition at competing points requires for its success an artificial stimulus to certain business people at the monopolized points, so as to obtain powerful allies in times of railway war. For this reason, certain businesses must be fostered at the expense of others, and certain people enriched at the expense of others. And as certain combinations can only be carried out by having a monopoly instead of a number of competing individuals to deal with, they will bring about occasionally an accessory combination of railways at competing points also for the purpose of creating such a monopoly. Witness the Anthracite Coal Combination, the Standard Oil Company, and the Cattle Eveners' Pool. This class of discriminations, being also directly attributable to the system of competition-monopoly, I fail to see how any development of this system will ever cure it.

In fact, as long as railways are managed on this irrational principle, they will be perfectly justifiable in continuing to perpetrate these evils. Their arguments in palliation of their methods of action are, indeed, when considered in the light of this principle, simply unanswerable. The principle is responsible, and not the corporations. How can one line regulate its tariff at a competing point according to the cost of transportation? Would it not immediately be underbid by the others, and completely driven off the field? But if it must take traffic at the competing point regardless of cost, must it not be permitted to

offset its losses by taking the traffic at the monopolized point sufficiently high to overcome this necessary loss? If it is not, will it not be ruined? And what will then become of competition? The economic law which compels railways to discriminate against local traffic is inexorable. We cannot have competition without this species of discrimination.

But wars cannot be continued forever, or not only the railways, but also the general business of the country, will be ruined. Consequently truces will be necessary and welcome. But truces mean discrimination against the localities favored by nature. This law is also inexorable. How can the railways avoid it? This species of discrimination is certainly not in the interest of the road submitting to it. It loses as much as the city it feeds. Then do not let us be so inconsistent as to accuse the roads; let us rather accuse the principle.

Even their discriminations in favor of individuals can be excused. People who are at any time liable to be dragged into expensive wars must be allowed means of defending themselves. Railways require allies, and those individuals become powerful ones. The principle, again, is responsible. Let us then not commit the folly of expecting that the seed of a disease, if only allowed to act unchecked, will eventually cure it. It is not insignificant that the principle has been abandoned in every country of the world excepting the United States.

The second solution which has been proposed is competition-monopoly tempered by State control. This control, in order to accomplish anything of practical value, must consist in regulating the *maximum* of the tariff. It will have the questionable advantage of protecting the citizens of the State against discrimination beyond this *maximum*—a slight protection only against discrimination, as the *maximum* rate will still be far above the rate obtainable at competing points. It will have the unquestionable disadvantage of ruining the railways within the State, and consequently of eventually ruining the citizens, who were beginning to imagine themselves protected. These are saved from the frying-pan by being mercifully thrust into the fire. The authority of the State is limited to its boundaries. The roads which feed the States extend beyond them to competing points. At the competing points, competition is not limited by the question of cost. The roads must make the best rates they are able to make. These will be far below the cost of transportation. The railway

which has a *maximum* fixed for it cannot offset its loss at the monopolized points, and ruin is the consequence. The State now perceives the folly of its course, and repeals the *maximum* rates with greater celerity than it fixed them. This is the vicious circle in which State control of rates must move. It permits no solution of our problem.

The third solution, which would place the control of rates in the power of Congress, would probably require an amendment of the Constitution empowering Congress to legislate on transportation within a State. Even if it were adopted, no law could ever be framed under it which would bring us a step nearer to the solution we seek. How could a *maximum* rate be established which would operate fairly for all the roads of the country? And if it could, of what avail would it be unless there was a second law establishing a *minimum*, which could not be evaded? All the evils under which we are now suffering would continue unabated, and no one knows how many new ones would be added.

The fourth proposed solution, combination, must be considered either as the combination of all the railways of the country under several independent organizations, or as the combination of all the railways in a single organization. Both these species necessarily bring about discriminations against certain cities, favorably situated, in order to produce a factitious advantage for the less favorably situated. Neither can, therefore, cure the evil of the first class of discriminations. Both these species will leave the two other classes of discriminations in the present condition, as each of the combining railways will retain the absolute control over the districts tributary to it, and will continue to tax those districts to the extent which they will bear. The necessity of so acting will be forced on each of them, for the reason that combinations are known by experience to mean only truce, and not peace; and no railway will dare to give up a single advantage in the monopolized districts, for fear that by so doing it may court ruin in the next war. The evils of fluctuation will be temporarily checked, but only to acquire increased violence at the break. Nor would it improve matters much if these breaks were to be prohibited by law; for such laws could be evaded, or public opinion might force their repeal. They could never convert the armed truce into peace. Certainly, combination is not the solution of the problem.

We have seen thus that all the various forms of pseudo-competition fail absolutely to furnish a method according to which railways can be managed. We have seen, too, that the failure is not accidental, something which may be remedied by experience so as to disappear in time, but that this failure is of the very essence of the competition principle. We have seen that to it alone all the economic ills incident to transportation with which we are plagued are attributable; that it is the root and poisonous principle of the disease, and must be eradicated. Let us, therefore, impartially examine the fifth solution, and inquire whether monopoly is or is not the proper method to be applied in the management of railway transportation.

It must be admitted that there is no inherent reason which will prevent monopoly from curing the economic evils of discrimination and fluctuation. The cost of transportation on the various branches could be calculated, and the tariff fixed accordingly. The wielder of the vast power might find it to his interest to satisfy popular demands, and might be actuated by the policy of treating all persons fairly. Large cities, small cities, through traffic, local traffic, rich and poor, would all be alike before him, and he might, if he chose, treat them alike. Indeed, why should he take from one to give to another, when all are equally within his control? There would also be an immense saving in running expenses, so that the rates would be considerably reduced, and the industries of the country proportionately advanced. And it is because the economic laws have utterly condemned competition between railways, that all things are now shaping themselves so as to actually accomplish a monopoly; for this solution, whatever its disadvantages, is not condemned by logic as an absurdity.

And so, if the handful of men who control the vast system of transportation in a country containing fifty million of people, should to-day come together with the intention of establishing a monopoly, it would be established to-day—all the vague and vehement opposition, however wide-spread, notwithstanding. And, after its accomplishment, the people would gladly acquiesce, for they are tired of war and discrimination and fluctuation.

And yet, the establishment of such a monopoly, however advantageous it might be for a time, would in the end not fail to undermine the constitution and entire political system of the country. More than that, the monopolist would become, in fact, the empe-

ror of the United States. He would own president, legislature, and courts, and could bequeath his monarchy, as private property, to his eldest son. In the not distant future the ills from which monopoly delivered us might seem little compared to those it brought on. Monopoly, therefore, though a satisfactory solution of the economic difficulty of our problem, ought to be, for political reasons, incontinently rejected.

But have we the power to do so? Is it not already too late? This is a practical question, which cannot be answered excepting by an actual trial of strength. At all events, it is certain that in order to have any chance of success whatever, something must be opposed to the monopoly principle which shall offer to the people all its economic advantages without its political dangers. Unless this can be done, the contest is decided in advance.

Is there such a thing? I answer, there is. The seventh proposed solution of the railway problem, placing the entire matter of railway transportation on the highways in the hands of the people of the United States, can cure all economic ills as well as monopoly can do it, for it has all the advantages of the latter, and will bring on none of the political evils incident to monopoly, for it has none of its disadvantages. In this sign alone can monopoly be conquered.

And here again let me caution against the misuse of a word; for, popularly, the management of a railway by the State is also known by the name of monopoly. The slightest reflection, however, will show that the ownership and management of a thing by a nation for the benefit of the whole nation, is the very contrary of monopoly, which means the ownership and management of a thing by one person for the benefit of one person. If the coining of a new word is ever to be allowed, it ought to be in this case.

Such an ownership has all the advantages of monopoly, inasmuch as it would be as little under the necessity of discriminating or of making frequent and sudden changes in rates as the latter. It would, moreover, be more certain to cure the economic evils from which we are now suffering, for the reason that while the monopolist might or might not consider it to his private interest to cure them, and would always rank his private interest first, the nation has no private interest to consult; and while the monopolist would be responsible to no one, and introduce the needed reforms according to his pleasure, the national railways

would be managed by the responsible agents of the United States, and amenable directly to its supervision. And we must consider that even were it possible theoretically to frame laws controlling the monopoly and making it responsible to the people, practically such laws would either not be framed or not be enforced, owing to the tremendous power the monopolist would wield, while the fixing of just rates for national railways would be a simple matter. A formula containing all the elements which enter into the cost of transportation could be determined by law, and then the rates be fixed strictly according to this formula.

The disadvantages which will probably be popularly objected to national railways are: *First*, That they would tend to centralization. *Second*, The evils of paternal government. *Third*, That our civil service is too corrupt to be trusted with the management of such a vast interest.

To the first objection I reply that railway management of a country requires a certain degree of centralization. The whole system of railways is in reality but a single machine, and we are suffering from the confusion, demoralization, and oppression caused by the fact that it is run by numerous engineers according to private and contradictory plans. Excessive centralization can be easily avoided, as, for instance, it is in the present Prussian state railway system. Moreover, we must remember that centralization is forced on us by the nature of things, and we only have the choice between intrusting it to our own agent, the Government, responsible directly to us and acting for us, or intrusting it to a private individual, with interests different from and colliding with ours, and responsible to no one.

The second objection arises out of confusion in the use of the word government. Government may mean the private right of a dynasty, with private interests distinct from, and, perhaps, opposed to, those of the public. Such was the government of the feudal princes in the Middle Ages, the masters of the governed. Or it may mean the exercise of a trust, for public purposes alone, and by servants of the governed, which is the system of the United States. In the first case, the general welfare is often only a misnomer for the private welfare of the dynasty, and the promotion of the former often only a mask to accomplish the promotion of the latter. In the second case, there is no private welfare of a dynasty to be cared for, under any mask, and all

measures for the promotion of the public welfare are taken with the consent of the public, under its eyes, and by its servants.

On the other hand, if we permit the railways to come within the control of a private individual, then we will raise up a private dynasty which will govern us paternally for its own interest and pleasure. Already now the railway magnates openly declare that it is their desire to foster and protect commerce, and the merchants of the country humbly petition them as they would the sovereign. What spectacles would we not behold after the establishment of the monopoly? We would see a nation on its knees before a more absolute potentate than ever ruled.

Let us never forget that (if we must forsooth call a government paternal, because it does its bounden duty of controlling the nation's highways) it is infinitely better to have a paternal government of all, by the agents of all, for the interests of all, than that all should be paternally governed by one for the interests of one.

With regard to the third objection, I would answer that the chief danger to a free country is not the corruption of the civil service, but that of the legislature. The principles which regulate the civil service are responsibility and subordination; the principles which regulate the legislature are irresponsibility and independence. The former is under the complete control of the latter; the latter is under no control whatever. A corrupt civil service cannot exist where the legislature is pure; while a corrupt legislature necessarily taints the civil service. And as it is less dangerous, so also it is more difficult to corrupt the civil service than to corrupt the legislature. The civil servant, if bribed, is bribed to commit a violation of the law, which is a crime; the legislator, if bribed, is bribed to vote, and to vote is his duty. But if legislators are not steeled against the corrupting influences of railways, even under our present system, how can we expect them to become so against the constant baits of a stupendous monopoly controlling the wealth of the whole country? On the other hand, with the railroads out of private hands, there is every reason to believe that the atmosphere in our legislative halls will become purified; and a purer legislature would find less difficulty in establishing for us a purer civil service.

ISAAC L. RICE.